



NEW LBC ACTIONS

February 1996

Legislative Budget Committee 506 16th Ave. S.E. Olympia, WA 98501
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LBC's Fiscal Impacts: \$30 million Direct Cost Savings to the State of Washington

Some recent LBC studies contain recommendations which result in *immediate, direct savings of \$30 million* to the state of Washington this biennium. Other studies have the potential of achieving future savings as well.

Two years ago, the committee looked at prison capacity issues and made recommendations for replacing some of our most inefficient facilities. *Direct savings of \$11 million* in the current biennium resulted from this study, with even more savings expected in the future.

Spending on nursing homes was trimmed by \$19 million in the current biennium, based on LBC findings. This savings is small in comparison to the potential for savings, through an improved reimbursement methodology, in this \$1 billion-per-biennium system. In addition, the state is currently overhauling its reimbursement system based on LBC recommendations.

The performance audit of the *Superintendent of Public Instruction* identifies cost savings that the agency could realize through technology improvements, better organization, and more oversight of discretionary expenditures.

Other 1995 LBC projects have potential cost savings or suggest ways to make more effective and efficient use of public funds. They include:

- ***Capital Budgeting and Planning***
- ***Department of Information Services***
- ***Drug and Alcohol Abuse Programs***
- ***Department of Corrections Privatization Feasibility Study***

LBC Chairman Senator Al Bauer Explains Performance Audits

There seem to be a lot of questions regarding performance auditing and what it can achieve.

In my mind, the LBC is able to consistently produce *timely and quality research* that is *useful to decision makers*. Here's why:

- ◆ Like most other performance audit organizations throughout the nation, the LBC is located in the ***legislative branch***.
- ◆ The ***non-partisan*** nature of our work is supported by the LBC having a ***abi-partisan*** structure. Thus, no single partisan elected official controls LBC resources or study results.
- ◆ As part of our ***criteria*** for setting LBC work priorities, the committee selects studies that can have significant fiscal or policy impacts.
- ◆ There is direct ***accountability*** to the public. LBC reports are discussed at two ***public*** meetings at a minimum.

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- ◆ There is **follow-up**. The committee often sponsors legislation to implement report recommendations. We also conduct follow-up studies to ensure compliance with the recommendations.

I'll reserve judgment on other approaches to performance auditing.

What distinguishes our approach is its non-partisanship, its focus on substantive issues, and the cost-effectiveness that results from this focus. This is a true, direct benefit to the taxpayer.

Committee Sponsors Legislation to Improve Information Technology

The LBC is sponsoring legislation (SB 6550 and HB 2673) to strengthen the review of costly information technology projects as investments of taxpayers' money.

Based on the 1995 LBC sunset audit of the Department of Information Technology and the Information Services Board, the bills also make the Board independent, enhance its oversight authority, and increase private sector representation.

For information about the bills, call the LBC office (360-786-5171), or go online to the LBC World Wide Web site on the Internet: <http://leginfo.leg.wa.gov/www/lbc/>

Audit Says OSPI Needs to Prioritize and Consolidate Services and Organization

The performance audit of the *Office of the Superintendent of Public Instruction* (OSPI), recommends that OSPI provide better service to its customers and/or consume fewer resources by prioritizing and consolidating its services and its organization.

The report also highlights improvements that could be made in the professional certification process and in planning for the effective use of technology.

The audit finds that OSPI fulfills this primary role effectively by distributing over \$4 billion a year to 296 school districts in an accurate and timely manner. The agency and the State Board of Education concur with the report's 11 recommendations.

(Report No. 96-1; Staff Contact: Larry Brubaker)

Feasibility of Prisons' Privatization

In a "how to" document, the LBC provides guidelines to be followed in the event the legislature chooses to privatize a prison.

The report *Department of Corrections Privatization Feasibility Study* contains legal analysis by the Attorney General's Office as well as LBC staff analysis on potential operational and capital cost savings. (Report No. 96-2; Staff contact: Bob Thomas)

1996 LBC Audit Projects (approved to date)

**Child Protective Services
Forest Board Transfer Lands*
Juvenile Residential Facilities
Office of Marine Safety***

***Mandated**

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